

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer

DATE: June 28, 2002

SUBJECT: Fiscal Impact Statement: "District of Columbia Employee Non-Liability Act Amendment and Notice of Claim Clarification Act of 2002"

REFERENCE: Draft Legislation – Bill Number Not Available

Conclusion

Funds are sufficient in the FY 2002 through FY 2005 budget and financial plan to implement the proposed legislation because it would result in cost savings by reducing the number of suits that would go to trial. The proposed legislation will have no affect on General Fund revenue.

Background

The proposed legislation would provide for the non-liability of District government officers and employees for all negligent and wrongful actions committed within the scope of their employment. Under current law, such protection for officers and employees only exists for acts committed within the scope of employment resulting from operation of a vehicle owned or controlled by the District. Approximately 900 District employees are sued individually each year. While the District indemnifies all employees and has through custom and practice for decades, this would prevent the distress, inconvenience, and ill effects employees suffer from being sued individually for actions performed in the scope of their employment with the District.

The proposed legislation also would amend the District's notice of claim statute (D.C. Official Code § 12-309) to clarify that the six-month notice of claim requirement for the District of Columbia applies to claims of injuries against all independent agencies of the

District and the DC City Council. As recently interpreted by the D.C. Court of Appeals, current law permits plaintiffs with claims against independent agencies to wait as long as three years before giving notice of the injury which occurred on District property.

Financial Plan Impact

Funds are sufficient in the FY 2002 through FY 2005 budget and financial plan to implement the proposed legislation. The proposed bill would result in cost savings, however, the amount of the savings cannot be estimated at this time.

The proposed legislation would result in savings by reducing the number of lawsuits that would otherwise go to trial by limiting the notice of claim requirement to six months for all District agencies. Such reduction of suits would result in cost savings in two ways: 1) reduced judgments paid out of the Judgments and Settlements Fund; and 2) reduced Office of Corporation Counsel personal and non-personal service costs associated with trial preparation and trial.